

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 EB-08 STR-07 COME-00 CIAE-00
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FM AMEMBASSY BUCHAREST
TO SECSTATE WASHDC PRIORITY 8341

C O N F I D E N T I A L SECTION 1 OF 2 BUCHAREST 1538

E.O. 11652: GDS
TAGS: ETRD, EEWT, ESTC, BTIO, OVIP (AVRAM, IOAN), RO
SUBJECT: AVRAM VISIT TO U.S.

REF: BUCHAREST 1411

1. SUMMARY: DATES FOR U.S. VISIT OF MINISTER OF
MACHINE BUILDING IOAN AVRAM ARE APRIL 1 OR 2-16.
GOR'S OBJECTIVES FOR AVRAM'S VISIT ARE THREEFOLD:
PREPARE CEAUSESCU'S VISITS TO VARIOUS U.S. COMPANIES;
ADVANCE NEGOTIATIONS ON COOPERATION PROJECTS OF
INTEREST TO MACHINE BUILDING MINISTRY AND, WHERE
POSSIBLE, TO SIGN COOPERATION AGREEMENTS; AND PURSUE
EXPORT-IMPORT OPPORTUNITIES OF INTEREST TO MACHINE
BUILDING MINISTRY. MACHINE BUILDING MINISTRY OFFI-
CIALS HAVE NOW GIVEN US LIST OF 18 PORJECTS WHICH
AVRAM MAY DISCUSS IN U.S. COORDINATED EFFORT ON
PART OF BEWT AND EMBASSY IS NEEDED IN ASSURING U.S.
COMPANIES BE IN POSITION TO TAKE FULLEST ADVANTAGE OF
OPPORTUNITIES OFFERED THEM BY AVRAM'S VISIT. END SUMMARY.

2. SUBSEQUENT TO AMBASSADOR'S MARCH 4 MEETING WITH
AVRAM (SEE REFTTEL), COMATT MET ON MARCH 9 WITH MFT'S
FOTA, WHO ASSISTING CEAUSESCU ADVISER PUNGAN IN
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MAKING PREPARATION FOR CEAUSESCU'S U.S. VISIT.
ACCORDING TO FOTA, GOR HAS SET FOLLOWING THREE
OBJECTIVES FOR AVRAM'S VISIT:

A. ACT AS ADVANCE MAN ON ECONOMIC PROBLEMS
WHICH CEAUSESCU WILL PURSUE IN U.S. AVRAM WILL
ALSO SUBSEQUENTLY ACCOMPANY CEAUSESCU ON HIS NON-

WASHINGTON BUSINESS MEETINGS.

B. FURTHER NEGOTIATIONS ON COOPERATION PROJECTS OF INTEREST TO MACHINE BUILDING MINISTRY AND, WHERE POSSIBLE, TO SIGN COOPERATION AGREEMENTS WITH U.S. COMPANIES.

C. FOLLOW UP ON EXPORT-IMPORT OPPORTUNITIES OF INTEREST TO MACHINE BUILDING MINISTRY. MEANWHILE, AVRAM TOLD US THAT HE WILL ARRIVE IN U.S. ON APRIL 1 OR 2 SO AS TO BE ABLE TO BEGIN WORK SCHEDULE ON APRIL 3. FOTA STATED THAT AVRAM WOULD DEPART FROM U.S. ON SAME DAY AS CEAUSESCU DOES ON APRIL 16.

3. IN MARCH 6 AND 9 MEETINGS WITH COMATT, ROMULUS CELAN OF MACHINE BUILDING MINISTRY'S FOREIGN TRADE AND INTERNATIONAL COOPERATION DIRECTORATE PROVIDED INFORMATION PROJECTS OF INTEREST TO AVRAM, THE COMPANIES WHICH AVRAM WOULD LIKE TO MEET WITH, AND ANEMS OF OTHER MEMBERS OF AVRAM'S PARTY.

4. CELAN LISTED FOLLOWING 18 PRROJECTS, 11 OF WHICH HAVE PRIORITY, AS OBJECTIVES OF AVRAM'S VISIT AND FOR WHICH FODOR APPARENTLY INCLUDING IN TRIP SCHEDULE;

A. PRIORITY PROJECTS (NOT NECESSARILY IN RANK ORDER) OR COMPANY CONTACTS:

(1) EXPANSION OF COOPERATION WITH CDC IN COMPUTER AREA;

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(2) WABCO - AVRAM WISHES TO SIGN LETTER OF INTENT FOR JOINT VENTURE OR FRAMEWORK AGREEMENT FOR PRODUCTION/ ASSEMBLY IN ROMANIA OF 100-120 TON TRUCKS;

(3) THERMO-KING - IN PAST YEARS, ROMANIA HAS IMPORTED MANY THERMO-KING REFRIGERATOR UNITS FOR TRUCKS; NOW IT WISHES TO PRODUCE SOME THERMO-KING COMPONENTS UNDER LICENSE FOR SALE IN ROMANIA AND ABROAD. IN MID-MARCH, 2-3 MAN TEAM FROM THE MINISTRY WILL TO TO THERMO-KING, IRELAND, HOPEFULLY TO SIGN PROTOCOL TO THIS EFFECT. AT THERMO-KING HEADQUARTERS IN MINNEAPOLIS, AVRAM HOPES EITHER TO ASSIST IN CON- CLUDING NEGOTIATIONS OR TO SIGN FRAMEWORK AGREEMENT;

(4) GM - BOTH SIDES ARE READY TO SIGN COOPERATION AND EVIDENCE ACCOUNT AGREEMENT. (NOTE: IT CLEAR GOR WANTS TO DO SOMETHING CONCRETE WITH GM, WHILE AT SAME TIME, GM ALSO DESIRES TO DO SOMETHING WITH ROMANIA.);

(5) DUPONT - AVRAM WISHES TO SIGN PROTOCOL OR AGREEMENT REGARDING ULTRASONIC WIRE BONDERS;

(6) MAGNETIC TAPES - THIS COOPERATION PROJECT; GOR WISHES TO DO SOMETHING WITH AMPEX. BACKUP FIRM IS PERTEC COMPUTER CORP;

(7) WESTERINGHOUSE - GOR HAS APPARENTLY REACHED AGREEMENT WITH WESTINGHOUSE FOR COOPERATION IN PRODUCTION OF ELECTRIC DRIVE WHEELS OF 100 TONS (FORCE IN WHEELS);

(8) BEARINGS - ROLLWAY HAS, ACCORDING TO CELAN, NOW DECIDED TO WORK WITH ROMANIA ON NEW BEARING PLANT IN BIRLAD. AGREEMENT TO THIS EFFECT MAY BE SIGNED BY AVRAM ON THIS TRIP. AVRAM WOULD LIKE MEETING WITH ROLLWAY OFFICIALS TO TAKE PLACE IN NEW YORK (SO AS TO LIMIT WHERE POSSIBLE UNNECESSARY TRAVEL);

(9) NUCLEAR EQUIPMENT - CONTACTS ARE SOUGHT WITH U.S. EQUIPMENT AND TECHNOLOGY SUPPLIERS. GOR HAS BEEN IN CONTACT WITH COMBUSTION ENGINEERING;

(10) FAIRCHILD: PRODUCTION, ASSEMBLY AND TESTING
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OF INTEGRATED CIRCUITS (MOS-SLI) FOR USE IN DESK-TOP CALCULATORS; AND

(11) GENERAL ELECTRIC: APPARENTLY BOTH SIDES ARE

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CLOSE TO SIGNING A GENERAL COOPERATION AGREEMENT, SOMEWHAT SIMILAR IN FORM TO WHAT GM PREPARED TO SIGN.

B. NON-PRIORITY PROJECTS OR COMPANY CONTACTS:

(1) TURBOBLOWERS - GOR WANTS TO CONCLUDE AGREEMENT WITH SCHWITZER, BUT AS EUROPEAN OR JAPANESE

COMPETITORS HAVE MADE BETTER OFFERS, SCHWITZER WILL LOSE CONTRACT UNLESS IT IMPROVES ITS OFFER;

(2) TELEPHONE CONNECTORS (APPARENTLY OF MARGINAL INTEREST TO AVRAM);

(3) PRODUCTION OF GEAR BOXES OF 120 KILOGRAM FORCE FOR HEAVY ROAD EQUIPMENT. GOR DISCUSSING THIS WITH EATON OR GM'S DETROIT ALLISION DIVISION AND HOPES TO CONCLUDE AGREEMENT WITH ONE OF THEM;

(4) MICROMOTORS AND SERVOMOTORS - AVRAM MAY MEET WITH AEROFLEX AND HOWARD IN NEW YORK CITY;

(5) HYDRAULIC COMPANENTS FOR EARTHMOVING EQUIPMENT - MEETINGS MAY BE SET UP WITH PARKER-HANNIFIN, DENNISON DIVISION AND SPERRY RAND;

(6) POWER SHOVELS - CONTINUATION OF NEGOTIATIONS WITH MARION POWER SHOVEL AND BUCHYRUS ERIE; AND

(7) TRADING COMAPNY JOINT VENTURE IN CLEVELAND - COMPANY HAS BEEN REGISTERED AS AMERICAN ROMANIAN TRADING COMPANY, HEADED BY JOHN J. SIBISAN (FORMER ROMANIAN, NOW U.S. CITIZEN). AVRAM INTERESTED IN CONFIDENTIAL

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DISCUSSING ADDITIONAL ROMANIAN EXPORT POSSIBILITIES.

5. CONCERNING WASHINGTON MEETINGS, CELAN SAID THAT AVRAM WISHES TO MEET WITH SECRETARY OF COMMERCE KREPS, EXIMBANK PRESIDENT MOORE AND VARIOUS U.S. CONGRESSMAN, E.G., SENATOR JACKSON, REP. VANIK OR OTHERS SUCH AS SENATORS STEVENSON AND JAVITTS AND REP. FASCELL, TO DISCUSS PROSPECTS FOR MULTI-YEAR MFN. IN NEW YORK, AVRAM ALSO HAS IN MIND MEETING WITH PRESIDENT OF U.S. SIDE OF THE JOINT ECONOMIC COUNCIL ROSENTHAL.

6. COMMENT. NOW THAT WE HAVE CLEARER IDEA OF COMPANIES WHICH AVRAM PLANS TO CONTACT AND OF THE PROJECTS HE IS PURSUING, IT IS ESSENTIAL FOR BEWT AND EMBASSY TO COORDINATE CONTACTS WITH THESE COMPANIES SO THAT THEY ARE AWARE OF IMPORTANCE GOR ASCRIBES TO AVRAM'S VISIT AND ENHANCED COMMERCIAL OPPORTUNITIES IN ROMANIA HIS VISIT PROVIDES THEM. WE PLAN TO CONTACT AS MANY OF THESE COMPANIES AS WE CAN DIRECTLY AND REQUEST THAT BEWT/TDAD DO LIKEWISE. AS WE ARE ALL AWARE, ROMANIA IS HIERARCHICALLY STRUCTURED SOCIETY AND BUSINESS NEGOTIATIONS WHICH INVOLVE MINISTERS OR HIGHER RANKING OFFICIALS HAVE GREATER CHANCES OF BEING CONCLUDED SUCCESSFULLY FASTER THAN DO OTHERS. U.S. COMPANIES SHOULD BE MADE AWARE OF FACT THAT AS BUSINESS AND GOVERNMENT ARE ONE IN ROMANIA, AVRAM IS IN EFFECT THE EQUIVALENT OF A SENIOR CORPORATE OFFICIAL OF ROMANIAN ENTERPRISES WHICH COME UNDER AEGIS OF

HIS MINISTRY. AS SUCH, HE IS NOT JUST HIGH-LEVEL
GOVERNMENT OFFICIAL IN WESTERN MEANING, BUT ALSO
ACTIVE CORPORATE OFFICIAL.

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7. ACTION REQUESTED: AMBASSADOR AND AVRAM HAVE AGREED
TO MEET PRIOR TO AVRAM'S DEPARTURE FOR U.S. (SEE
REFTEL) TO REVIEW AVRAM'S PROGRAM. BEFORE THIS
MEETING, WE REQUEST THAT BEWT/TDAD CONTACT THE U.S.
COMPANIES MENTIONED ABOVE AND OBTAIN THEIR VIEWS ON
THEIR PROSPECTS FOR DOING BUSINESS WITH ROMANIA AND
POSSIBILITY OF CONCLUDING AGREEMENTS OR CONTRACTS OR
ADVANCING NEGOTIATIONS DURING AVRAM'S VISIT. WE
REQUEST BEWT/TDAD REPORT BACK TO US RESULTS OF THESE
SOUNDINGS BY MARCH 21 SO THAT AMBASSADOR WILL BE
ABLE TO REVIEW THEM WITH AVRAM.

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